

Figure 1

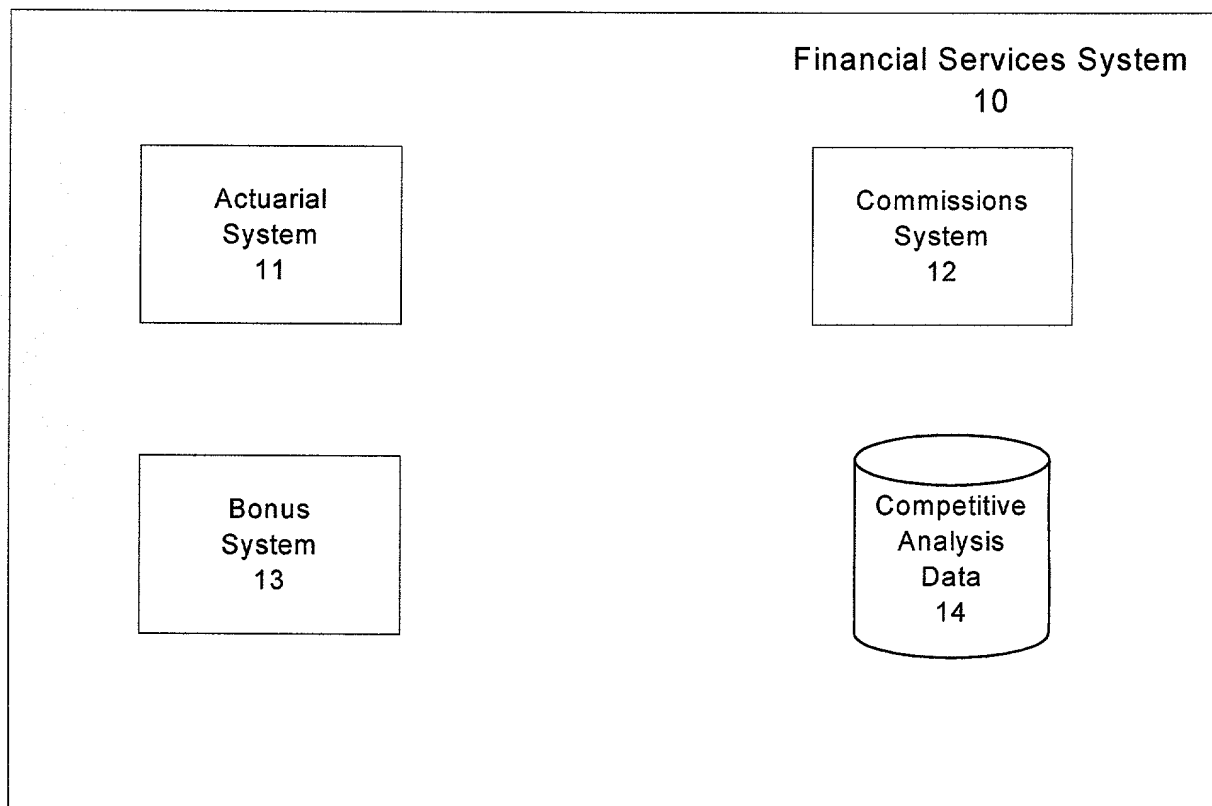


Figure 2

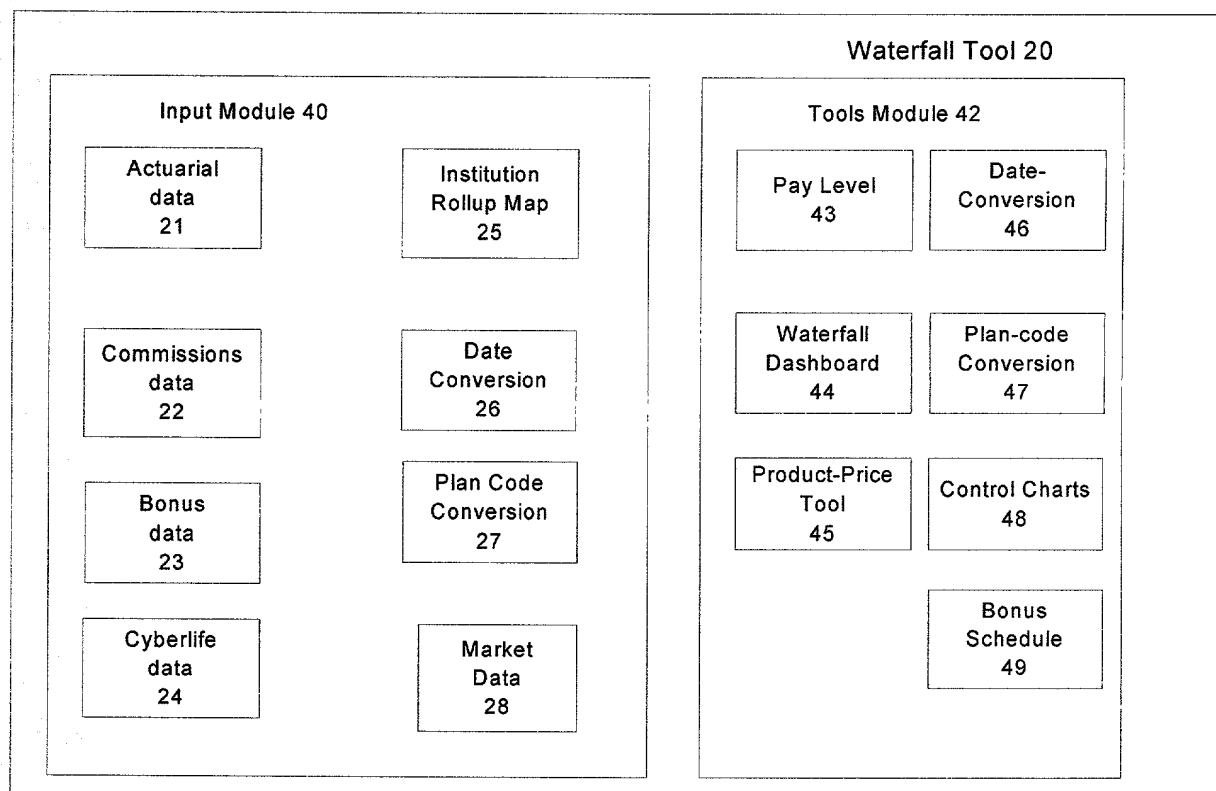


Figure 3

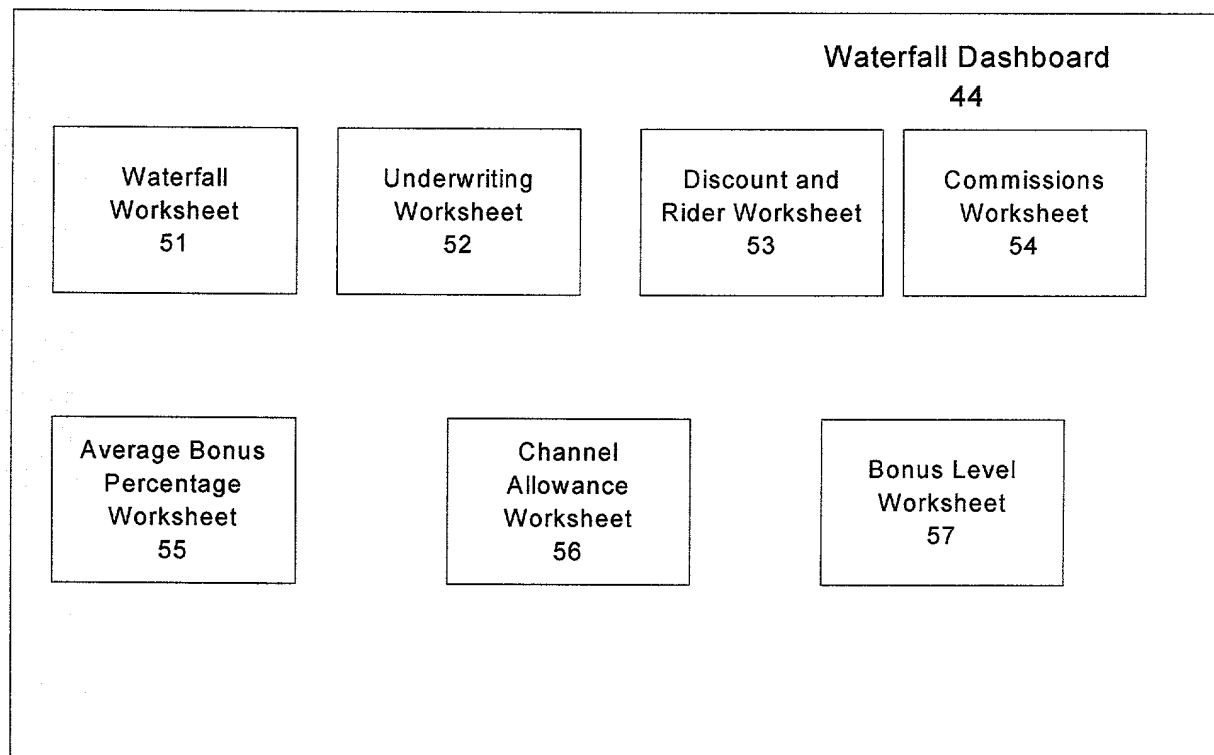


Figure 4

System and Method of Pricing of a Financial Product or Service Using a Waterfall Tool
 by Jonathan BOSWELL et al.
 U.S. Application Serial No. 10/0238,284
 Attorney Docket No. 52493.000163
 filed December 28, 2001
 Sheet 5 of 14

Waterfall Worksheet

	Gross Premium	Rider Premium	Premium w/o Riders	Comm.Pre	Commission	Factor	PV Premium	PV Commission
Total	\$101,361,487.85	\$1,188,442.79	\$100,102,045.06	\$95,061,001.35	\$4,030,808.23	7	\$700,714,315.42	\$15,686,065.22
Count								
SPOUSE	34335							
Market Price	Market Gap	List Price	UW	Discounts	Riders	Premium	Commissions	Bonus
	\$347,980.56		\$1,371,398.02	\$1,716,750.00	\$1,188,442.79	\$100,102,045.06	\$94,030,808.23	\$37,010,526.12
	\$2,436,663.82		\$9,889,786.12	\$12,017,250.00	\$5,947,213.95	\$700,714,315.42	\$109,716,673.46	\$37,010,526.12
Market Price	Market Gap	List Price	UW	Discounts	Riders	Premium	Commissions	Bonus
101.89%	0.36%	102.24%	1.37%	1.71%	0.89%	100.00%	13.42%	0%
0%	0%	0%	0%	0%	0%	0%	2%	5.28%

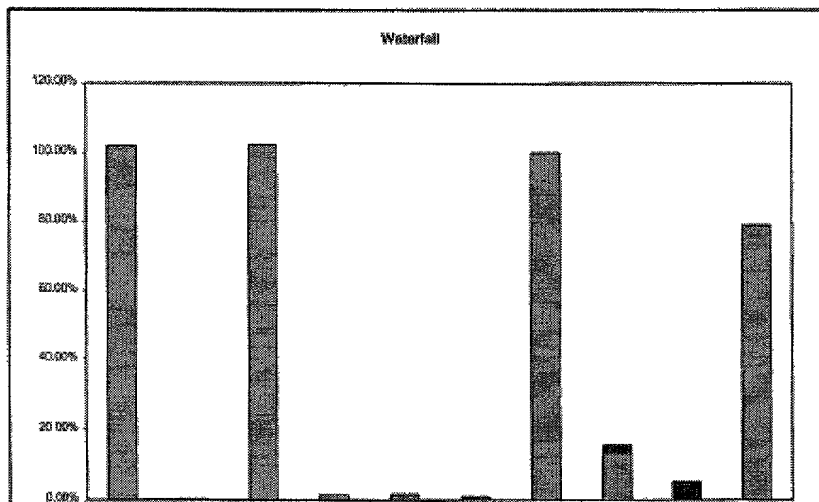


Figure 5

Underwriting Worksheet

	UFLIC	AM	WRO	LYN	RIC	FHL	Overall
% Reclassified	3%	2%	0%	3%	7%	5%	3%
Premium Leakage	\$ 30.00	\$ 20.00	\$ -	\$ 600.00	\$ 500.00	\$ 32.00	\$ 1,250.00
Target Error %	5%	5%	5%	5%	5%	5%	5%

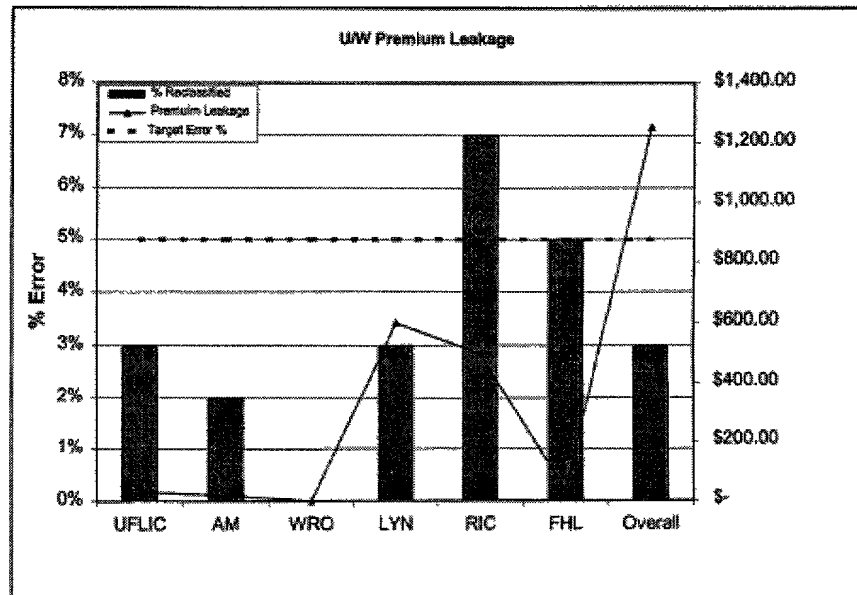


Figure 6

Discount & Rider Worksheet

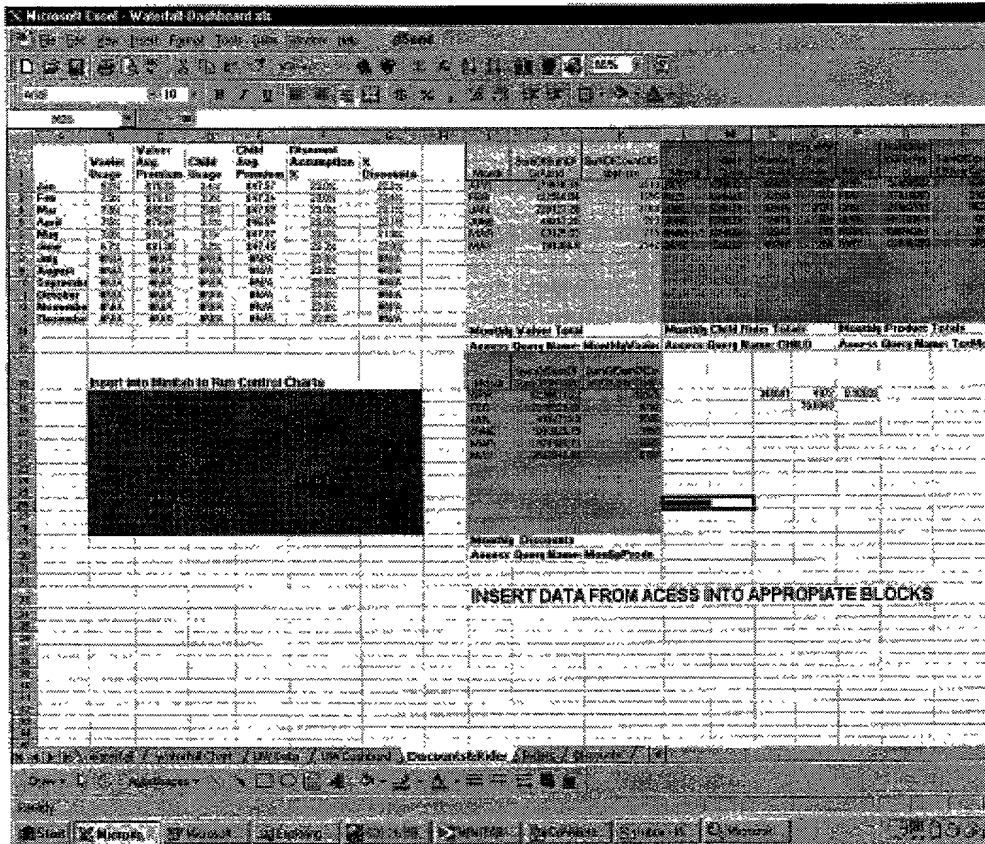


Figure 7

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 U.S. Application Serial No. 10/0238,284
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 Sheet 8 of 14

	Z. Kemper	Banner	First Penn	Sec. CT	C.N.A.	NACOLAH
Rate	148%	129%	128%	123%	105%	66%
Pay Out Delta	\$5,034,064.18	\$8,536,055.79	\$14,445,632.87	\$17,072,111.57	\$21,143,153.57	\$47,407,940.60

Figure 8

Channel Allowance Worksheet

	BGA	AMSG	BANK	PFS	E-Commerce	Target
1Q00			126%	215%		100%
2Q00		164%	131%	190%		100%
3Q00						100%
4Q00						100%

Figure 9

Avg. Bonus Percent Worksheet

	Actual Bonus Level	Yr. End Projected	Bonus Target
1Q00	36.4%	39.8%	36.0%
2Q00	37.8%	39.8%	36.0%
3Q00			36.0%
4Q00			36.0%

51

Figure 10

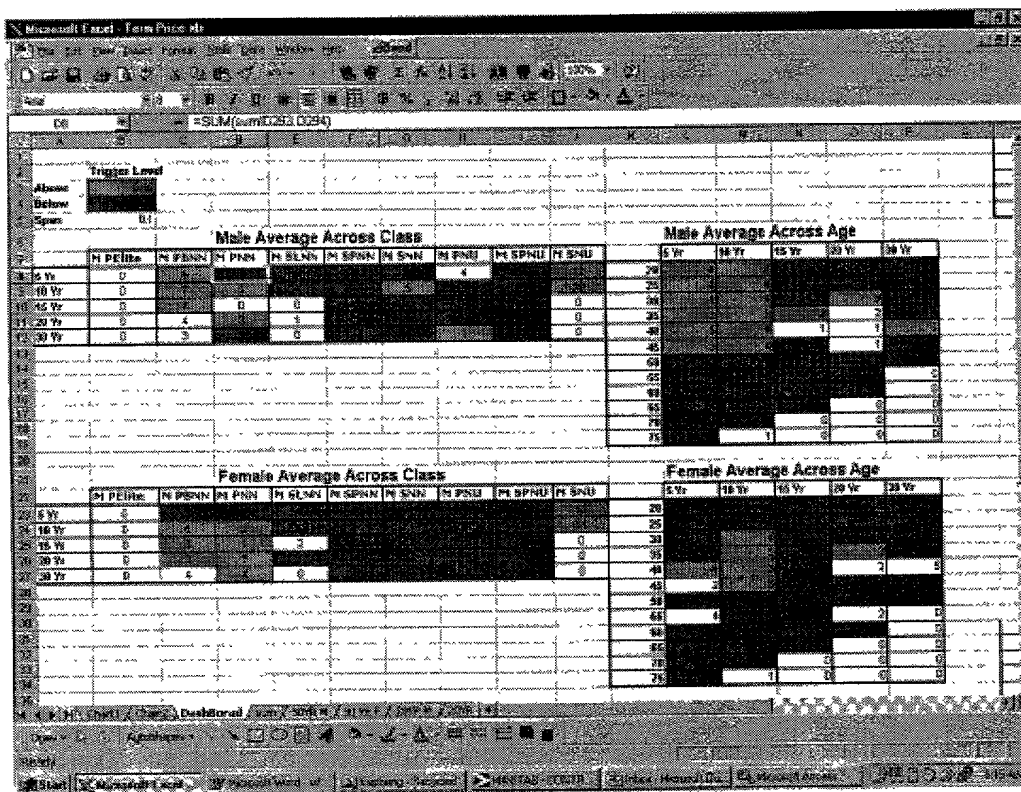


Figure 11

Microsoft Excel - Bonus Schedule.xls

File Edit View Insert Format Tools Data Window Help

457571.11

Paste UBS Data into Yellow Highlighted Areas:

UBS Name	Company Name	Bonusable Amount Additional Qualifying	STUDY GROUP GET A	STUDY GROUP B
1	UBS AG	1000000	UBS AG	UBS AG
2	UBS AG	1000000	UBS AG	UBS AG
3	UBS AG	1000000	UBS AG	UBS AG
4	UBS AG	1000000	UBS AG	UBS AG
5	UBS AG	1000000	UBS AG	UBS AG
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Figure 12

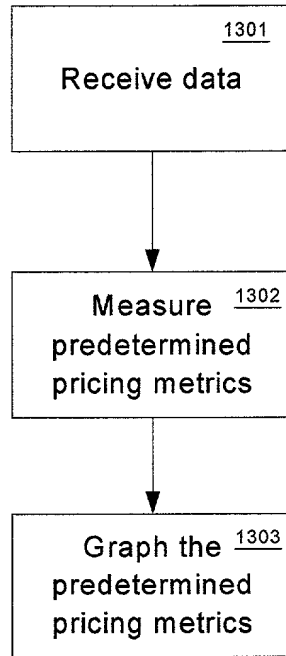


Figure 13

E: Control Plan

Bucket	Measurement	Trigger Level	Current Level	Owner	Data Source	Action Plan
Market Gap	Competitive Rate	Within 5% of market Avg.		Troy Thompson	Barry Kolkelsky, Cindy Viner	Evaluate Position of all three Market Gap Metrics;
	Ranking vs. Major Competitors	Within the top 5	TBD			Asses current production levels;
	% Variance from Lowest Price	Within 7% of lowest Price	TBD			Evaluate the need to Reprice
U/W	U/W Error Rate	TBD	TBD	Shawn Parks	Jim Robinson	Evaluate the need to restructure the Underwriting Guidelines
	Premium Leakage	TBD	TBD			
Discount	Trend of Usage Percentage	Exceeds amount assumed in Pricing model	22.10%	Shawn Parks	Barry Kolkefsky	Asses the Level of Discount Production; Root Cause analysis to determine reason for increase;
Riders	Trend of Usage Percentage by Type	TBD	7% WP & 3% Child	Shawn Parks	Barry Kolkefsky	Determine Root Cause for Production Decline;
	Trend Avg. Premium Amount vs. Type	TBD	\$81 WP & \$47 Child			Market research to determine new Types; Action Plan to Increase Productions
Commissions & Bonus						
	Total Pay Out Rate vs. Competition	Within Mid-Market Range of Competitors	TBD		Cindy Viner	Asses Impact of Rate Reduction on Volume; Reevaluate Bonus Schedule;
	Trend of %	Exceed	39.26%	Shawn	Connie	Changes rates if required

Figure 14